

FOREIGN POLICY BULLETIN

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Thirtieth Anniversary

1918-1948

*An interpretation of current international events
by the Research Staff of the Foreign Policy Association*

FOREIGN POLICY ASSOCIATION • INCORPORATED • 22 EAST 38TH STREET • NEW YORK 16, N. Y.

VOL. XXVII NO. 25

APRIL 2, 1948

Bogota Conference to Overhaul Inter-American System

The Ninth International Conference of American States, which opened March 30 in Bogotá, the lofty Colombian capital, promises to be one of the most important events in the history of international organization in the Americas. Delegates from the twenty-one republics will draw up a charter for the inter-American system, defining its nature and relationship to the UN, reaffirming the principles on which it is based and overhauling the machinery of co-operation. The project of an Inter-American Peace System will be discussed and, if accepted, will consolidate existing agreements for the pacific settlement of disputes and complement the Treaty of Reciprocal Assistance drawn up at Rio de Janeiro last summer. One of the most controversial tasks of the conference will be to reach an agreement on principles of economic co-operation that will satisfy both the United States, chief exporter of capital to Latin America, and the underdeveloped Latin American countries.

Other questions which will doubtless influence negotiations are Latin America's participation in the European Recovery Program, its own estimated financial needs, and its attitude toward the crisis in East-West relations. The latter problem has been brought home by vocal Communist movements in several countries. The president of the World Bank and the Secretaries of Commerce and of the Treasury will accompany Secretary of State Marshall to Bogotá. This indicates the importance attached by the United States at the present juncture to hemisphere relations, and hints at the lengths

Washington may be prepared to go to secure Latin American support.

Background for Bogota

A great deal of the work which will be done at Bogotá to perfect the machinery of continental security and reorganize the inter-American system is the direct legacy of the special Conference on Problems of War and Peace held at Mexico City early in 1945. Now in its fifty-ninth year, the organization has expanded vastly, but haphazardly, from the infant "International Union of the American Republics for the prompt collection and distribution of commercial information" created in 1890. As the war ended, however, new concepts of international organization were in the air—soon to take form in the UN—and these ideas contributed to the decisions of the Mexico City conference. In the Act of Chapultepec, the American governments agreed to broaden the collective security principles evolved under pressure of war, and to incorporate them into the inter-American system. This emergency agreement was written into permanent treaty form at the Rio de Janeiro conference, which marked a halfway step in the process of consolidation. At Mexico City, too, the complementary decision was reached to entrust the Governing Board of the Pan American Union with political powers—hitherto expressly denied to it—and to set it up in such a way that there could be no suspicion of inordinate United States influence on its actions.

The Project of Organic Pact of the Inter-American System which the Governing

Board has drafted for the Bogotá conference accordingly contains important innovations. Part I establishes the basic principles "that already constitute a common denominator of the will of the peoples of America." Part II includes two chapters on the pacific settlement of disputes and collective security (to which the Rio de Janeiro treaty and the proposed Peace System are complementary). It designates the Governing Board as the provisional "organ of consultation," until a meeting of the Foreign Ministers can be called, if a dispute capable of disturbing continental peace and security arises. It will devolve on Bogotá to determine such important details as the majority with which decisions shall be adopted, the degree of obligation to which a decision commits American states, and the nature of the measures that may have to be taken by the "organ of consultation."

Part III of the Organic Pact outlines the structure and functions of the Inter-American system as consisting of the Assemblies, the Pan American Union, and the specialized inter-American organizations. The Pan American Union, in addition to the functions conferred upon it by the draft pact and other treaties and agreements, would serve as the general secretariat of the system. It would be composed of the Governing Board, the Secretariat, and four new dependent organs of the Governing Board—an Economic and Social Council, a Defense Council, a Council of Jurists, and a Cultural Council. Hitherto, the boards or commissions that are the embryos of these

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new councils, with the exception of the Inter-American Economic and Social Council, have functioned fairly independently of the Governing Board. The Bogotá conference will have to work out myriad details surrounding the establishment of these dependent organs, the degree of technical autonomy they shall possess, and the character of their working relations with the specialized agencies of the UN and other international organs.

Despite Mexico City's groundwork, it is evident that not all the American governments are prepared to give the Pan American Union political powers, qualified though they are by the draft pact. That this was initially the proposal of the United States makes it doubly difficult for Argentina to accept, since that nation has always contended for leadership in the inter-American system. The Argentine

Chancellery has already announced that it favors retaining the Pan American Union as a purely administrative and informational body, with the Inter-American Defense Council a separate and autonomous unit. But that delegation's final position may be influenced by discussions of other matters at the conference.

OLIVE HOLMES

(The first of two articles on the Bogotá conference.)

Will Proposed Aid to China Stabilize Nanking Regime?

Chairman Arthur H. Vandenberg's action in withdrawing and revising a China aid report of the Senate Foreign Relations Committee may focus attention on some of the basic problems of our China policy. The report, made public on March 26, recommended that the Senate appropriate \$463 million for Nanking in the next twelve months—\$363 million in economic assistance plus \$100 million for "whatever purpose is decided upon by the Chinese government," i.e., presumably for military purchases. But at the same time the report spoke bluntly of "inefficiency," "bureaucratic maladies" and a "lack of popular confidence in the Chinese government." It also declared that "ineptitude in military leadership and corruption among army commanders have contributed largely to the lowered morale of the Chinese Government troops."

The report, as revised, includes strong praise of Nanking and Generalissimo Chiang Kai-shek. But the original version is significant because it stressed an important fact—the marked weakness of the Chinese government on whose continuance in power United States policy in China is at present based.

New Phase of China War

Recent events indicate that the Chinese civil war has entered a new phase. In March Nanking yielded the strategic Manchurian rail point of Kirin, a city with some hundreds of thousands of people; the major hydroelectric installations at nearby Hsiao-fengman; and the much-fought-over rail crossing of Szepingkai. While claiming that the Communists had lost 7,000 men at Ichuan in Shensi province, Nanking admitted suffering 20,000 casualties, the death of top generals, and the loss of that city. Nearly all of Manchuria and most of North China have been taken by the Communists, and Generalissimo Chiang declared on March 18

that "unless an all-out effort is made to turn the tide of war in central China, the last reservoir of Kuomintang power faces complete collapse."

Meanwhile, prices continue to soar, and on March 20 one United States dollar was worth more than 500,000 Chinese dollars on the Shanghai black market (on February 25 the exchange rate had been 1 to 328,000). In the political sphere a *New York Times* correspondent reported on March 2 that Generalissimo Chiang's prestige was declining seriously. Business and professional circles in Peiping and Shanghai are giving increasing thought to the question of future adjustment to a possible Nanking defeat.

A significant new development is the formation in Peiping of a Chinese Association for Social and Economic Research, whose sponsors range from officials of the Nanking government to non-Kuomintang critics of the Central administration. Reportedly well endowed, the association plans to issue a publication, *The New Road*, whose name suggests the desire of the members to find a way out in the mounting crisis. Far to the south in Hongkong, two other groups—Marshal Li Chi-shen's Revolutionary Committee of the Kuomintang, and a reorganized Democratic League—have issued manifestos, calling for the overthrow of the entire Nanking regime and the creation of a successor united front government.

Crisis for U.S. Policy

The evolution of the Chinese civil war represents a major setback for the China policy followed by Washington in recent years. This setback is in the background of the current House and Senate China aid bills, which differ in form, but are based in financial scope on Secretary Marshall's recommendation of \$570 million for Nanking's economic needs over a fifteen-month period. In presenting his proposal

in February, Marshall revealed that much previously unannounced military aid to Nanking was under way. Moreover, it is plain that economic aid would have direct or indirect military effects and would free significant amounts of Chinese government funds for military purposes.

However, the Republican leadership, especially in the House, has leaned toward some type of outright military appropriation. At the hearings of the House Foreign Affairs Committee Secretary Marshall declared on February 20 that the United States should not "be put in the position of being charged with a direct responsibility for the conduct of the Chinese Government and its political, economic and military affairs." On the other hand, General Wedemeyer, who testified on March 4, referred to an "honest difference of opinion" with Marshall and advocated inclusion of outright military aid in the bill. And Major General Claire L. Chennault suggested granting Nanking "something like \$1,500,000,000 or \$2,000,000,000 in the next three years" together with United States military advice as far down as the company level, in the hope of containing—not defeating—the Chinese Communists.

Most of the Congressional committees' discussion, however, revolved about sums plainly insufficient to have any effect on the Chinese war except to prolong it slightly. Discussions about China have been overshadowed by the growing strategic emphasis of the United States on Europe, as well as by the magnitude of China's problems. The Administration's approach was indicated by Secretary Marshall on March 19, when he said: "Unfortunately, critical situations are not confined to Europe. They exist in the Middle East, in Indonesia, in China. . . . Rich and powerful as we are, we cannot afford to disperse our efforts to a degree which would render all ineffective."

In the shaping of current policy China is regarded as a "holding operation," with especial emphasis on the Central government's retaining South and Central China. But it seems evident that the legislation which Congress will pass, while involving

the United States more deeply in the Chinese struggle, will not enable Nanking to halt the process of its own deterioration. This process could be stopped only by far-reaching internal reforms of which there are no genuine signs at the present time.

The convocation of a National Assembly on March 29, however, is indicative of Nanking's efforts to strengthen itself—efforts which require further analysis.

LAWRENCE K. ROSINGER

(The first of two articles on China.)

Success of ITO Depends on U. S. Economic Policy

The charter of the proposed International Trade Organization (ITO), which the UN Conference on Trade and Employment approved on March 24, is an important achievement from the point of view of American foreign economic policy. Since 1945 this country has sought the adoption of a world code which would bind signatory governments to promote freer, multilateral trade. Agreement on the terms of the charter, however, was reached as a result of many compromises, the net effect of which is to delay the time when trade barriers will be substantially reduced.

For those countries whose economy was devastated and disrupted during five years of global conflict, rigid import controls are a matter not of choice but of necessity. So long as the war-shattered countries lack adequate productive capacity, a thriving world economy is impossible. Another prerequisite, which can be achieved only over the long run, is a more balanced economy in the underdeveloped nations.* But in the period immediately ahead, some progress toward the ITO objective of freer trade can be made on a regional basis through the formation of customs unions. Examples of this are the proposed economic merger of the Low Countries, and a projected union of French and Italian economies.

Freer Trade and ERP

For the world as a whole, the current volume of trade would be much less than it is now were it not for the aid extended by the United States. A much greater degree of recovery, however, is required before Western Europe can become reasonably self-supporting. The European Recovery Program (ERP)—the keystone of our foreign economic policy—is expected

to increase the output of the participants, and thus their exports. In the meantime, to ensure the most effective use of scarce dollar exchange, Washington has imposed strict control over all exports to Europe.

But the condition of relative self-support cannot be achieved merely by a larger output. The channels of trade must also be expanded to enable the ERP members to earn, directly and indirectly, dollars sufficient to cover imports which must be paid for in that currency. On the part of the United States, a sustained high level of employment and a trade policy favorable to maximum imports are indispensable. This point was underscored by President Truman in his message to Congress on March 1, requesting a three-year extension of the Reciprocal Trade Agreements Act. This legislation, first enacted in 1934, has enabled the Administration to cut import duties in return for tariff concessions from other countries. The trade-agreements program, Mr. Truman pointed out, contributes to a prosperous world economy, which is the aim of the ERP. In the opinion of the Harri-man Committee on Foreign Aid, "American trade policy and American willingness to accept imports will, to an increasing extent, determine Europe's position."

Attitude of Republicans

Since the trade-agreements law expires June 12, Congress must soon consider the President's message. Except for the war year 1943, Republican members have consistently and almost unanimously voted against renewals of the trade measure. While outright termination of the program is demanded by some, the more influential party leaders are unlikely to go that far. The position of these leaders was stated by Speaker of the House Joseph W. Martin, Jr., who declared on March 1 that "it will be impossible to get any extension

of the Act unless the Senate, at minimum, is granted the power of confirmation or rejection." At present, trade pacts are not subject to congressional review; under a carefully defined administrative procedure, the logrolling technique employed in the past is avoided. Those who advocate a return to the old system charge that concessions made by the Executive branch have injured domestic producers. Proponents of freer trade reply that reductions are carefully weighed for their effect on local production; that unless imports are increased, exports will perforce decline.

Well aware of the impending attack on the trade program, a group of prominent industrialists, exporters and publicists announced on March 26 the formation of a Citizens Committee for Reciprocal World Trade, with Cordell Hull as honorary chairman. Leaders in this movement include Gerard Swope, who will serve as chairman, and Charles P. Taft, vice-chairman. Commenting on the project, Mr. Swope expressed the view that if those who favor more tariff protection have their way, this country would "retreat toward isolationism," in which event our good relations with the friendly nations of Western Europe would be seriously undermined.

HAROLD H. HUTCHESON

France Alive, by Claire Huchet Bishop. New York, McMullen, 1948. \$3.00

Tells the story of Catholic life in post-war France with glowing enthusiasm, not neglecting to describe the Protestant revival.

The Far East Since 1500, by Paul E. Eckel. New York, Harcourt, Brace, 1947. \$5.00

A broadly-conceived text, supplemented by maps and charts, bibliography and an index. In general, this is a very useful work because of its scope (e.g., much material on Southeast Asia as well as China and Japan) and its emphasis on social and cultural trends, in addition to politics, economics and war. There are, however, several incorrect facts and interpretations.

*See *Foreign Policy Bulletin*, February 27, 1948.

Program Notes

At the evening discussion meetings of the Syracuse FPA, members are allowed to bring one guest each without charge. The fee for nonmembers is 50 cents plus tax. The last few meetings have been followed by an informal gathering of those present including the speakers. . . .

Cincinnati gave its members a chance to indicate on post cards, prepared for the purpose, their preferences as to ten topics to be discussed at future meetings. Although placed low on the list, "Can the U.S. Work with Russia?" led both as first and second choice. "World Government or United Nations," and "Can the Labor Party Solve Britain's Problems?" were also popular subjects. . . .

Mr. John Clarke Adams of the University of Buffalo, who served three years as the economic adviser to U.S. Ambassador James Dunn in Rome, will share his experiences with his fellow members of the Buffalo FPA at their annual meeting April 16. . . .

From April 7 to 18, Mr. Clarence A. Peters, National Program Director, will be in the field visiting branches and affiliates in Cincinnati, Louisville, St. Louis, Kansas City, and Indianapolis. . . .

Sir Alfred Zimmern of Oxford University, visiting lecturer at Trinity College, will address the college group of the Hartford FPA Student Branch on April 12. Sir Alfred's speech and a series of follow-up discussions will be on the subject "World Problems and the American College." Miss Lillian M. Mansfield, vice president of the Hartford FPA, is in charge of student activities. . . .

During April and May many communities are holding their annual Foreign Policy Association meetings. These annual meetings provide an opportunity to evaluate both the strength and weaknesses of the FPA programs, and to plan for an improved 1948-49 schedule of activities. . . .

Forthcoming Meetings

SPRINGFIELD, April 3, *Must We have War With Russia?*, Theodore Waller, Michael Karpovitch

COLUMBUS, April 6, *The Future of Freedom*, John Scott

DETROIT, April 8, *The Future of Freedom*, John Scott

ST. LOUIS, April 9, *The Future of Freedom*, John Scott

MILWAUKEE, April 12, *An American Looks at China*, Lawrence K. Rosinger

MINNEAPOLIS, April 14, *An American Looks at China*, Lawrence K. Rosinger

BETHLEHEM, April 15, *Germany—Nation or No Man's Land*, Henri Peyre, Saul K. Padover

PITTSBURGH, April 15, *Pacific Issues and Contemporary Problems in International Politics*, Dr. V. K. Wellington Koo

ST. PAUL, April 15, *China*, Lawrence K. Rosinger

BUFFALO, April 16, *Italy*, John Clarke Adams

UTICA, April 16-17, *The Marshall Plan*, Bjarne Braatoy, Pierre Siraud

Headliner Award

On March 18 the National Headliners' Club announced its annual award for outstanding public service by a newspaper. The award was made for the *Washington Post's* 16-page supplement explaining the Marshall Plan which appeared in the edition of November 23, 1947. The Foreign Policy Association co-operated with the *Washington Post* in the preparation of the supplement. Thomas K. Ford of the Foreign Policy Association staff, and editor of the *Headline Series*, with the aid of the Research Department, collaborated in the preparation of the text and in assembling of the material.

A panel of 11 judges made the selections for the Headliner medal winners from more than 500 entries from all sections of the country. The awards were begun in 1934 under the sponsorship of the Press Club of Atlantic City. This year's competition was called the keenest in the history of the Headliners by Andrew Bernhardt, managing editor of the *Pittsburgh Post-Gazette* and chairman of the awards judging panel. The judges said the Marshall Plan Supplement "was picked up and reprinted widely as the most understandable of all the printed explanations from the view of the general public."

Norway is the latest target in the "cold war" between the United States and Russia. Each of the two great powers accuses the other of scheming to use the Scandinavian country for strategic purposes. . . . Britain has so far been notably free of hysteria about "isms." Since the Czech coup, however, the Attlee government has decided that *known Communists and Fascists* should not be allowed to hold jobs vital to the nation's security. But both Laborites and Conservatives in the House of Commons will insist that no witch hunt be undertaken. . . . The Big Four commission which, under the terms of the Italian peace treaty, has been investigating conditions in *Italy's former African colonies* preparatory to their disposal, is not scheduled to make its report until May 23, more than four weeks after the Italian elections. Hoping to influence these elections, the Soviet Union has already offered to return the colonies to Italy under UN trusteeship supervision. The United States and France are reportedly willing to make the same concession, but Britain is afraid of antagonizing the Arabs. . . . The difficulties experienced by *Austria* in obtaining the food it had counted on from Eastern Europe, especially Hungary, points up the need for resumption of East-West trade unless present estimates of Western Hemisphere food supplies under the ERP are substantially increased.

Available Now

"Economic Trends in Eastern Europe—I, Czechoslovakia and Poland," is the subject of the April 1 *Foreign Policy Report*. Vera Micheles Dean, Director of the Research Staff of the Foreign Policy Association, is the author of the *Report*, the first of two to appear on this subject. The second, "Economic Trends in Eastern Europe—II, Albania, Bulgaria, Hungary, Rumania, Yugoslavia," will appear April 15.

25 cents each

REPORTS are issued on the 1st and 15th of each month.

Subscription \$5; to FPA members, \$4.